

INSURANCE ON FILE
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CLERK OF COURSE
DATE: 5-23-12

**PROFESSIONAL SERVICES CONTRACT
BETWEEN THE CITY OF SANTA ANA AND
BEST BEST AND KRIEGER LLP FOR
CITY ATTORNEY SERVICES**

This PROFESSIONAL SERVICES CONTRACT FOR CITY ATTORNEY SERVICES (the "Agreement") is effective as of the 2nd day of April, 2012, by and between the law firm of BEST BEST & KRIEGER LLP, a California limited liability partnership ("BB&K"), and the CITY OF SANTA ANA, a municipal corporation (the "City"). The term "City" shall also include all boards, commissions, financing authorities, and other bodies of City.

1. APPOINTMENT

City Council hereby appoints and designates Sonia R. Carvalho ("Carvalho") as the City Attorney, and hires BB&K as its City Attorney, to render such legal services as are customarily rendered by such officials and as further specified herein and as required by Charter Section 703, including, but not limited to, attending meetings of the City Council, Planning Commission, and other boards and bodies of City, and its affiliated agencies, as directed by the City.

Notwithstanding the foregoing appointment, the designated City Attorney may be established from time to time or modified solely by resolution of the City Council. BB&K represents it employs, or will employ at its own expense, all personnel required for the satisfactory performance of any and all tasks and services set forth herein, except that BB&K shall not be required to hire any person already employed by the Office of the City Attorney who may be assigned tasks by, and who is supervised by Carvalho. **BB&K shall not replace the designated City Attorney (or any successor to such person) without the City Council's prior approval.** A temporary assignment of another attorney besides Carvalho due to vacation, illness or leave if necessary will be done only with the approval of the City Manager. City Attorney may appoint various assistants and deputies as City Attorney deems appropriate through the City's Personnel Department and only with the approval of the City Manager without the need for amendment hereof.

2. SCOPE OF WORK AND DUTIES

A. General City Attorney Services: BB&K, specifically Carvalho, shall, as directed by the City, perform any and all work necessary for the provision of City Attorney services to City, including, without limitation, the following:

- (i) Attend all meetings of the City Council, and provide advice or opinion in writing whenever requested to do so by the City Council or by any of the officers, boards, commissions, committees, officers, and employees of the City as requested by the City Council, or City Manager, or his/her designee, in accordance with such policies and procedures as may be established by City from time to time;
- (ii) Attend, as necessary, all meetings of the Planning Commission and other board and commission meetings on request of the City Manager or his/her designee unless excused by the City Manager or his/her designee;
- (iii) Represent and advise the City Council and all City officers in all matters of law pertaining to their offices;

C: 1 only to Personnel R. Flores

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- (iv) Be available for telephone consultation with City staff, as needed on legal matters which are within their area of operation and maintain regular office hours at City Hall as requested by the City Manager at times mutually agreed to by the City Manager and designated City Attorney, attend Executive Team staff meetings, meet with individual Council members as necessary;
- (v) Prepare or review necessary legal documents such as: ordinances and resolutions; all agreements of any nature; all real property instruments of any nature including purchase agreements and escrows, leases, covenants, deeds, easements and licenses; bond size, amount, and offering terms and conditions; public works construction documents including bid specifications, contracts, bonds, insurance, liens and related documents; memorandums of understanding; franchise agreements; and all similar documents, all as requested by City;
- (vi) Utilizing existing staff in the Office of the City Attorney employed by the City, prosecute on behalf of the people such criminal cases for violation of the Charter or City ordinances, and of misdemeanor offenses and infractions arising upon violations of the laws of the state as in his opinion, or that of the City Council, or of the City Manager, warrant his attention;
- (vii) Utilizing existing staff in the Office of the City Attorney employed by the City, represent and advise City on pending and potential litigation as requested by City; notwithstanding the foregoing, it is expressly understood that BB&K shall not be responsible for any pending litigation matter(s) handled by attorneys previously or otherwise employed by the City until all files have been transferred to BB&K and BB&K has specifically appeared in the matter(s) as attorneys of record on behalf of City;
- (viii) Monitor pending and current legislation and case law as appropriate;
- (ix) Supervise and manage all work of subordinate staff, including supervision of all staff of the Office of the City Attorney;
- (x) Supervise outside legal services;
- (xi) Represent and appear for the City, any City officer or employee, or former City officer or employee, in any or all actions and proceedings in which the City or any such officer or employee, in or by reason of his official capacity, is concerned or is a party;
- (xii) Represent and advise the Successor Agency and officials in all matters of law pertaining to their office;
- (xiii) Represent and advise the Housing Authority and Authority officials in all matters of law pertaining to their offices; and
- (xiv) Perform other related duties as required.

B. Special Legal Services: City Attorney, utilizing City Attorney staff to the extent they are available, will provide representation to City in all of its legal affairs, including, but not limited to, municipal law, land use, environmental, toxics, mining, water, tort defense, personnel, labor representation, code enforcement, criminal prosecution, successor agency, housing, and other matters, except where conflicts exist or where the City Council may otherwise direct. The City Attorney

shall represent City in all of the foregoing legal matters, and in initiating and defending all litigation unless otherwise directed by the City Council.

C. Additional Specialized Legal Services: When requested in writing by the City Manager, City Attorney will provide cable television, finance, franchising, contracts, airport, water, waste water, electricity, waste management, transportation, enterprise and other specialized services which may require the assistance of special legal counsel.

D. General Communication: The City Attorney will keep City informed as to the progress and status of all pending matters in accordance with such procedures as the City may establish from time to time. The City Attorney is expected to manage, control and oversee the delivery of legal services in a competent, professional, and cost-effective manner. All legal services shall be properly supervised and all personnel shall be qualified to handle the work assigned. If, with the approval of the City Council outside special counsel is retained, unless otherwise directed by the City Council, such special counsel shall be supervised by the City Attorney.

E. Coordination of Services: All legal services shall be coordinated under the direction of the City Manager. Notwithstanding any other provision contained herein, any Additional Specialized Legal Services can only be authorized by the City Council or City Manager. Nothing in this Contract shall be construed in any manner as limiting the ultimate and absolute discretion of the City Council, at any time, to assign or reassign a legal matter of City from or to BB&K.

3. CITY DUTIES

City agrees to provide such information, assistance, cooperation, and access to books, records, and other information as is necessary for BB&K to effectively render its professional services under this Contract. The City desires services to be rendered whenever possible on site; as such the City, at City's expense, will make available sufficient office space, furniture, telephones, computers, facsimile machines, and secretarial support, as approved by the City Manager, as may be necessary therefore. City further agrees to abide by this Contract, and to timely pay BB&K's bills for fees, costs, and expenses, as established by this Agreement. However, nothing in this Section, or any other part of this Agreement, shall be construed in any manner as limiting the ultimate and absolute discretion of the City Council, at any time, to assign or reassign legal matters of City from or to BB&K.

4. PERSONNEL

City Attorney staff may be modified only as provided in Section 1 above and except as so provided, City Attorney will exercise discretion to utilize whichever attorney(s) (and staff) it determines to be best suited to render efficient and effective legal services under this Contract. City Attorney shall also, in accordance with City's rules and regulations, have authority to hire staff in the Office of the City Attorney.

5. COMPENSATION

- A. Compensation shall be as set forth in Exhibit A.
- B. Payment of Compensation shall be as set forth in Exhibit B.

6. BOND OR FINANCIAL SERVICES; SERVICES FOR THIRD PARTIES

Notwithstanding the foregoing, (i) in the event City determines BB&K shall act as Bond Counsel

for the issuance of City bonds, the compensation provisions set forth in Exhibit A-1 shall apply; and (ii) where legal services are subject to cost recovery from a private third party, such as a developer, the hourly rate will be Three Hundred Dollars (\$300) per hour, or such other increased hourly rate as has been agreed to by such third party.

7. COSTS AND OTHER CHARGES

BB&K may incur various costs and expenses in rendering the legal services required by this Agreement which, if customary and necessary for the performance of legal services hereunder, with the prior approval of the City Manager shall be reimbursable by City. These costs and expenses are described in more detail in Exhibit A. All clerical services, ordinary travel costs (e.g., from the BB&K office to court or City Hall), and miscellaneous expenses (e.g., telephone and facsimile charges) are included within the rates set forth above, and there shall be no additional charges for such expenses. City agrees to reimburse BB&K for expenses such as experts' or consultant fees, or litigation expenses such as court reporters, which shall be passed through to the City at the actual costs thereof. Reimbursable costs shall not include any overhead or administrative charge by BB&K or BB&K's cost of equipment or supplies except as provided herein. Any item of expense must be explained in writing and approved by the City Manager in advance. The City will not reimburse BB&K for costs for which no backup materials are provided.

City Attorney may determine it necessary or appropriate to use one or more outside investigators, consultants, or experts in rendering the legal services required (particularly if a matter goes into litigation). City will be responsible for paying such fees and charges. City Attorney will not, however, retain the services of any outside investigators, consultants, or experts without the prior written approval of City Manager and/or the City Council. City Attorney will select any investigators, consultants, or experts to be hired only after approval of City Manager.

Extraordinary travel expenses, including transportation, meals, and lodging, when incurred on behalf of the City shall be reimbursed by City only with the prior written approval of City Manager.

8. STATEMENTS

BB&K shall render to City a statement for fees, costs, and expenses incurred on a monthly basis. The Statement for General Legal Services shall be a single invoice for the compensation as set forth in Exhibit A. Statements for all other services shall indicate the basis of the fees, including the hours worked, the hourly rate(s), and a brief description of the work performed. Separate billing categories can be established to track costs associated with City funding categories or to track project costs, or such other basis as the City may direct. Reimbursable costs shall be separately itemized. The City reserves the right to require additional substantiation of any claimed expense or item billed by BB&K. Any work product or memoranda or other written material described in the invoices shall be produced to the City Manager as requested.

Services under this Contract shall not be billed in more than one-tenth of an hour (i.e., six minute) increments and shall represent the devotion of a full six minutes to a task before such an increment is billed. Under no circumstances shall BB&K use "block billing" procedures, wherein a list or a series of activities is done with only an aggregate amount of time specified. All tasks set forth in BB&K's billing documentation shall be highly specific and highly detailed. Overly generalized listings of task descriptions such as "research," "pre-trial preparation," "review contract," or "prepare for negotiations," will not be acceptable without an additional description of the work performed. BB&K shall provide a detailed description that will provide a meaningful record to an independent auditor reviewing said task description.

BB&K shall carefully examine all bills submitted for services rendered under this Contract to ensure that appropriate billing practices are employed in billing the City hereunder. To that end, BB&K agrees that:

- (a) They shall only bill for time which is specifically devoted to the Scope of Work;
- (b) They shall not bill for the use of legal professionals for secretarial work or administrative work;
- (c) They shall not bill for review of junior attorneys' work;
- (d) They shall only devote resources which are reasonably necessary for the performance of the required services; and
- (e) They shall utilize a billing format that sets forth sufficient detail to permit full scrutiny by City or any City-retained auditors, of all charges, except as specified in Exhibit "A."

Payments shall be made by City within sixty (60) days of receipt of the statement, except for those specific items on an invoice which are contested or questioned and are returned by City with a written explanation of the question or contest, within thirty (30) days of receipt of the invoice.

9. PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT

The experience, knowledge, capability and reputation of BB&K, its partners, associates, and employees, was a substantial inducement for City to enter into this Agreement. Therefore, BB&K shall not contract with any other person or entity to perform, in whole or in part, the legal services required under this Agreement without the written approval of City. In addition, neither this Agreement, nor any interest herein, may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily, or by operation of law, whether for the benefit of creditors, or otherwise, without the prior written approval of City. Adding attorneys to BB&K, changes in the partnership, name changes and similar changes shall not be deemed a transfer or assignment requiring approval of City or amendment hereof.

10. INDEPENDENT CONTRACTOR

BB&K shall perform all legal services required under this Agreement as an independent contractor of City, and shall remain, at all times as to City, a wholly independent contractor with only such obligations as are required under this Agreement. Neither City, nor any of its employees, shall have any control over the manner, mode, or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. City shall have no voice in the selection, discharge, supervision or control of BB&K employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

11. INSURANCE

BB&K shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement, including any extension thereof, the following policies of insurance:

- (a) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than a combined single limit of One

Million Dollars (\$1,000,000.00), and One Million Dollars (\$1,000,000.00) products and completed operations.

(b) **Workers' Compensation Insurance.** A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both BB&K and City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) **Automobile Insurance.** A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than a combined single limit liability of One Million Dollars (\$1,000,000.00). Said policy shall include coverage for owner, non-owner, leased and hired cars.

(d) **Errors and Omissions Insurance.** A policy of professional liability insurance written on a claims made basis in an amount not less than Three Million Dollars (\$3,000,000.00).

Except for the policy of professional liability insurance, all of the above policies of insurance shall be primary insurance and shall name City, its officers, employees and agents as additionally insured. Except for the policy of professional liability insurance, the insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. Except for the policy of professional liability insurance, all of said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled, the attorney shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section to the City. Failure to do so is cause for termination.

12. INDEMNIFICATION

A. BB&K agrees to indemnify City, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of BB&K, its agents, employees, subcontractors, or invitees, provided for herein or arising from the acts or omissions of BB&K hereunder, or arising from BB&K's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of City, its officers, agents or employees.

B. City acknowledges BB&K is being appointed as City Attorney pursuant to the authority of Government Code Section 36505, and has the authority of that office. Accordingly, the City is responsible pursuant to Government Code Section 825 for providing a defense for the City Attorney for actions within the scope of its engagement hereunder. Therefore, City agrees to undertake its statutory duty and indemnify BB&K, its officers, employees and agents against and will hold and save each of them harmless from, any and all claims or liabilities that may be asserted or claims by any person, firm or entity arising out of or in connection with the work, operations or activities of BB&K within the course and scope of its performance hereunder, but nothing herein shall require City to indemnify BB&K for liability arising from its own negligence or alleged negligence. In connection herewith:

(i) City will promptly provide a defense and pay any judgment rendered against the City, its officers, agency or employees for any such claims or liabilities arising out of or in connection with such work, operations or activities of City hereunder;

(ii) In the event BB&K, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against City for such damages or other claims solely arising out of or in connection with the work operation or activities of City hereunder, City agrees to pay to BB&K, its officers, agents or employees any and all costs and expenses incurred by attorney, its officers, agents or employees in such action or proceeding, including, but not limited to, legal costs and attorneys' fees.

13. NOTICES

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor; postage prepaid and addressed as follows:

CITY: City of Santa Ana
20 Civic Center Plaza
Santa Ana, CA 92701
Attention: City Manager

ATTORNEY: Best Best & Krieger LLP
5 Park Plaza, Suite 1500
Irvine, California 92614
494-263-2600 (office)
Attention: Sonia R. Carvalho

Best Best & Krieger LLP
3750 University Avenue, Suite 400
Riverside, CA 92502
Attn: Managing Partner

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same in the custody of said Postal Service. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that specified above.

14. NON-DISCRIMINATION

In connection with the execution of this Agreement, BB&K shall not discriminate against any employee or applicant for employment because of race, religion, marital status, color, sex, handicap, sexual persuasion, or national origin. BB&K shall take affirmative action to ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their race, religion, color, sex, marital status, handicap, sexual persuasion, or national origin. Such actions shall include, but not be limited to, the following: employment, promotion, demotion, transfer, duties assignment; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

15. TERM, DISCHARGE AND WITHDRAWAL

This Agreement shall commence on April 2, 2012, and shall remain in full force and effect until terminated by either party hereto. After November 1, 2012, City may discharge BB&K at any time. The City Attorney shall have no right to hearing or notice, and may be discharged with or without notice.

BB&K may withdraw from City's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon at least sixty (60) days' written notice to City.

In the event of such discharge or withdrawal, City will pay BB&K professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation, including, without limitation, proration of the monthly retainer amount to the date of such cessation. City agrees to execute, upon request, a stipulation in such form as to permit BB&K to withdraw as City's attorneys of record in any legal action then pending. BB&K shall deliver all documents and records of City to City, or to counsel designated by City, and assist to the fullest extent possible in the orderly transition of all pending matters to City's new counsel.

16. CONFLICTS

BB&K represents that it currently has no client with interests adverse to those of the City with respect to this Contract. BB&K shall not accept cases that may include causes of action against the City.

17. INTERPRETATION OF AGREEMENT AND FORUM

This Contract shall be construed and interpreted both as to validity and performance of the parties in accordance with the laws of the State of California. In the event of any dispute hereunder, forum shall be the Superior Court, Orange County.

18. INTEGRATED AGREEMENT; AMENDMENT

This Agreement contains all of the agreements of the parties and cannot be amended or modified except by written agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

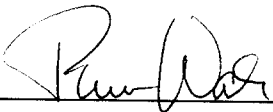
19. CORPORATE AUTHORITY

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that in so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

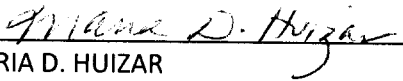
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the City.

Dated: April 2, 2012

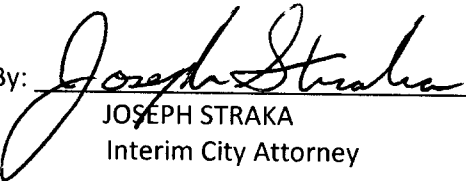
"CITY"
CITY OF SANTA ANA,
a municipal corporation

By: 
PAUL WALTERS,
Interim City Manager

ATTEST:

By: 
MARIA D. HUIZAR
Clerk of the Council

APPROVED AS TO FORM:

By: 
JOSEPH STRAKA
Interim City Attorney

Dated: April 2, 2012

"BEST BEST & KRIEGER LLP"

By: 
Sonia R. Carvalho

**EXHIBIT "A" BILLING
RATES**

- (1) The City expects that General legal services (which include services described in Section 2 of the Contract) are anticipated to be for one hundred and fifty (150) hours per month and the City agrees to compensate BB&K at the rate of Twenty-Five Thousand (\$25,000) per month. The parties agree and understand that the City shall pay BB&K \$25,000 regardless of the amount of hours billed, in recognition that the City is securing the services and availability of Carvalho during the term of this Agreement. BB&K will issue an invoice that outlines the days and total amount of hours billed for "General Legal Services." These general entries will only require that the generalized topic of the legal services be described. For example, "General Legal Services -- Office Hours." Other work performed shall comply with the requirements of Section 8(e) of this Agreement. Notwithstanding anything herein to the contrary, additional General legal services may be provided by BB&K at the sole discretion of the City Attorney at a blended rate of Two Hundred Fifty Dollars (\$250) per hour for attorneys and One Hundred Fifty Dollars (\$150) per hour for paralegals in an amount not to exceed a maximum of Twenty Five Thousand Dollars (\$25,000) in any one Fiscal Year.
- (2) Special legal services shall include legal services described as Special Legal Services in Section 2 of the Contract. All such matters shall be billed at the rate of Two Hundred Fifty Dollars (\$250) per hour only when prior written approval has been obtained from City Manager. Additional Specialized Legal Services shall include those described in Section 2 of the Contract and shall be billed at the rates identified in the specific engagement for such matter and approved in writing by the City Manager. Such rates for Additional Specialized Legal Services shall range between \$200 and \$350 per hour.
- (3) Whenever possible all work should be completed on-site using City employees and City equipment at no charge to BB&K. If it is necessary to perform work on BB&K's premises or outside City Hall and such work has been authorized by the City Manager and/or the City Council, BB&K will be reimbursed for out-of-pocket expenses including telecopier, messenger, courier, and other communication costs; reproduction expense; computer research services (at actual cost); court reporters; mileage costs for travel to court and administrative proceedings (IRS standard rate); travel expenses outside of Southern California; and other costs and expenses incurred on City's behalf.
- (4) When authorized by the City Manager and/or City Council the use of BB&K paralegals, irrespective of matter, the reimbursement rate shall be One Hundred Ten Dollars (\$110) per hour.
- (5) The foregoing fee arrangement shall remain in effect until adjusted by the City Council via separate resolution, provided however, that on July 1, 2013 and each July 1st thereafter, all hourly rates or flat fee amounts would be increased by an amount mutually agreeable.
- (6) Bond and finance fees shall be as set forth in Exhibit A-1 set forth hereto.

Exhibit B
BILLING STATEMENT AND PAYMENT

The Firm's fees are charged on a monthly basis for and are generally billed monthly with payment due within thirty (30) days after the date of the bill. The current monthly rate for the City Attorneys will be set forth in the billing statement as well as the hourly rate and staff working on matters as provided by City Manager and/or City Council will be set forth in the billing statement. Travel time is billable, except commute time to and from City Hall.

Services under this Contract shall not be billed in more than one-tenth of an hour (i.e., six minute) increments and shall represent the devotion of a full six minutes to a task before such an increment is billed. Under no circumstances shall BB&K use "block billing" procedures, wherein a list or a series of activities is done with only an aggregate amount of time specified. All tasks set forth in BB&K's billing documentation shall be highly specific and highly detailed, except as provided for in billing General legal services as set forth in Exhibit A. Overly generalized listings of task descriptions such as "research," "pre-trial preparation," "review contract," or "prepare for negotiations," will not be acceptable without an additional description of the work performed, except as provided for in billing General legal services as set forth in Exhibit A. BB&K shall provide a detailed description that will provide a meaningful record to an independent auditor reviewing said task description.

The City reserves the right to require additional substantiation of any claimed expense or item billed by BB&K. Any work product or memoranda or other written material described in the invoices shall be produced to the City Manager as requested.

The Firm will incur various costs and expenses in performing legal services. These costs and expenses are separately billed to the client and include fees fixed by law or assessed by public agencies, litigation costs including deposition, reporter fees, and transcript fees, long distance telephone calls, messenger and other delivery fees, postage, photocopying and other reproduction costs when necessitated and authorized by the City, all based on the actual and reasonable cost. Firm shall provide backup documentation.

It is understood that Firm will not charge for mileage between its office and City facilities, nor for local telephone calls or calls made to the City. In exchange, Firm shall not be charged for calls made or received at the City, whether local or long-distance, or for copying charges since copying on-site will reduce the charge to the client.

The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, the billable rates charged and description of the work performed. All bills are expected to be paid within sixty (60) days of the date of the billing statement.

Registration fees for attorneys attending conferences and seminars are paid by the Firm and are never charged to the City (unless expressly requested by the City).

EXHIBIT "A-1"
BB&K SCHEDULE OF PUBLIC FINANCE FEES

For bond counsel and special counsel services in connection with the financing of public facilities, BB&K shall be compensated, depending upon the type of bonds, certificates of participation or other obligations which are to be issued, based on the following schedules. Unless otherwise mutually agreed, our fees as bond counsel on these financings will be payable from proceeds of each series of the bonds upon their issuance.

1. Certificates of Participation and Revenue Bonds. For services in connection with the issuance and sale of certificates of participation and revenue bonds, BB&K shall be paid a fee which will be the greater of (i) \$35,000 or (ii) an amount based on the total principal amount of the certificates of participation or bonds to be sold, computed as follows:

- .35% of the first \$10 million of the amount of the certificates or bonds issued, plus
- .25% of the next \$10 million of the amount thereof, plus
- .125% of the amount thereof, if any, over \$20 million.

Notwithstanding the foregoing, in those cases where the fees are reimbursable by a third party, at BB&K's option it may proceed on a hourly basis at the private posted rates of the attorneys involved.

2. Community Facilities Districts. For services in connection with the issuance and sale of bonds of community facilities districts, BB&K shall be paid a fee which will be the greater of (i) \$35,000 or (ii) an amount based on the total principal amount of the bonds to be sold, computed as follows:

- .35% of the first \$10 million of the amount of the bonds issued, plus
- .25% of the next \$10 million of the amount thereof, plus
- .125% of the amount thereof, if any, over \$20 million.

Notwithstanding the foregoing, in those cases where the fees are reimbursable by a third party, at BB&K's option it may proceed on a hourly basis at the private posted rates of the attorneys involved with respect to services rendered for the formation of or annexation to a CFD, as well as the negotiation and preparation of funding agreements and joint financing agreements. Hourly compensation shall be payable solely from deposits of third parties and bond counsel fees shall be payable solely from the proceeds of the sale of bonds.

3. Assessment Districts. For services in connection with the issuance and sale of bonds of assessment districts, BB&K shall be paid a fee which will be the greater of (i) \$35,000 or (ii) an amount based on the total principal amount of the bonds to be sold, computed as follows:

- .35% of the first \$6 million of the amount of the bonds issued, plus
- .25% of the next \$10 million of the amount thereof, plus
- .125% of the amount thereof, if any, over \$16 million.

Notwithstanding the foregoing, in those cases where the fees are reimbursable by a third party, at BB&K's option it may proceed on a hourly basis at the private posted rates of the attorneys involved with respect to services rendered for the formation of or annexation to an AD, as well as the negotiation

and preparation of funding agreements and joint financing agreements. Hourly compensation shall be payable solely from deposits of third parties and bond counsel fees shall be payable solely from the proceeds of the sale of bonds.

4. Investment and Other Agreements. For investment agreements, derivative transactions or interest rate swaps relating to of any bond issue, a separate fee will be charged depending on the type of derivative. Generally, our fee for a derivative transaction mirrors our bond counsel fee. Review of investment agreements will be charged at our hourly rates.

5. Disclosure Counsel. Our disclosure counsel fees for financings of the City of Santa Ana in the range of \$10 million to \$30 million will be \$25,000. Our disclosure counsel services will include preparation and delivery of a preliminary official statement, bond purchase contract, final official statement, and continuing disclosure undertaking. If the transaction exceeds \$30 million, we will seek additional compensation based upon an arrangement with the City of Santa Ana.

The fees include our disclosure counsel services described above together with travel expenses to two meetings at the City of Santa Ana offices. These fees do not include attendance at any ratings presentations of the City of Santa Ana or related expenses. If other services are requested by the City of Santa Ana which are not within the scope of those provided for above, they will be performed on an hourly basis at the private posted rates of the attorneys involved.

Our fees for bond and disclosure counsel will be payable from proceeds of each series of the bonds upon their issuance, and are not contingent on the bonds being sold.

6. Issuer's Counsel Opinions. For all Issuer's Counsel Opinions provided by BB&K in connection with any bond financing, fees shall be the following: (1) for opinions on financings for which BB&K does not provide bond counsel and disclosure counsel services, \$10,000; (2) for opinions on financings for which BB&K provides bond counsel services only, \$5,000; (3) for opinions on financings for which BB&K provides disclosure counsel services only, \$2,500; and (4) for opinions on financings for which BB&K provides both bond and disclosure counsel services, there will be no charge.

7. Other Public Finance Services. If other services are requested by the City of Santa Ana which are not within the scope of those provided for above, they will be performed on an hourly basis at the at the private posted rates of the attorneys involved.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) **11/22/2012**
4/26/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Lockton Insurance Brokers, LLC 725 S. Figueroa Street, 35th Fl. CA License #0F15767 Los Angeles CA 90017 (213) 689-0065	CONTACT NAME: PHONE (A/C, Ho, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
	INSURER(S) AFFORDING COVERAGE	
INSURED 1312669 Best Best & Krieger LLP 3750 University Ave., 3rd Floor Riverside CA 92502	INSURER A: Vigilant Insurance Company 20397	
	INSURER B: Federal Insurance Company 20281	
	INSURER C: Hartford Accident and Indemnity Company 22357	
	INSURER D:	
	INSURER E:	
	INSURER F:	

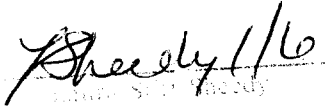

COVERAGES BESBE01 W2 **CERTIFICATE NUMBER:** 11767171 **REVISION NUMBER:** XXXXXXXX

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	Y	N	35894252	11/22/2011	11/22/2012	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included \$
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	N	N	73555244	11/22/2011	11/22/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$ XXXXXXXX
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$			NOT APPLICABLE			EACH OCCURRENCE \$ XXXXXXXX AGGREGATE \$ XXXXXXXX \$ XXXXXXXX
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	72 WE DQ2237	4/1/2012	4/1/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 The City of Santa Ana, its officers, employees and agents are Additional Insured to the extent provided by the policy language or endorsement issued or approved by the insurance carrier. Coverage provided is primary and non-contributory. Waiver of Subrogation applies per attached endorsement(s).

CERTIFICATE HOLDER APPROVED AS TO FORM **CANCELLATION** See Attachments

11767171 City of Santa Ana Attention: City Manager 20 Civic Center Plaza Santa Ana CA 92701	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

Liability Insurance

Endorsement

Policy Period 11/22/2011 - 11/22/2012

Effective Date 11/22/2011

Policy Number 35894252

Insured Best, Best & Krieger, LLP

Name of Company Vigilant Insurance Company

Date Issued: 11/22/2010

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added:

Who Is An Insured

Scheduled Person Or Organization

Subject to all of the terms and conditions of this insurance, any person or organization shown in the Schedule, acting pursuant to a written contract or agreement between you and such person or organization, is an **insured**; but they are **insureds** only with respect to liability arising out of your operations, or your premises, if you are obligated, pursuant to such contract or agreement, to provide them with such insurance as is afforded by this policy.

However, no such person or organization is an **insured** with respect to any:

- assumption of liability by them in a contract or agreement. This limitation does not apply to the liability for damages for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.
- damages arising out of their sole negligence.

Schedule

PERSON OR ORGANIZATIONS THAT YOU ARE OBLIGATED, PURSUANT TO WRITTEN CONTRACT OR AGREEMENT BETWEEN YOU AND SUCH PERSON OR ORGANIZATION, TO PROVIDE WITH SUCH INSURANCE AS IS AFFORDED BY THIS POLICY BUT THEY ARE "INSUREDS" ONLY IF AND TO THE MINIMUM EXTENT THAT SUCH CONTRACT OR AGREEMENT REQUIRES THE PERSON OR ORGANIZATION TO BE AFFORDED STATUS AS AN "INSURED".

Liability Insurance
Form 80-02-2367

Additional Insured - Scheduled Person or Organization
Endorsement

Page 1

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY
WC 04 03 06 (Ed. 4-84)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT -
CALIFORNIA**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 4/1/2012 at 12:01 A.M. standard time, forms a part of
(DATE)

Policy No. 72 WE DQ2237 of the HARTFORD CASUALTY INSURANCE COMPANY
(NAME OF INSURANCE COMPANY)

issued to BEST, BEST & KRIEGER LLP

Endorsement No.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 1.00 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization	Job Description
City of Santa Ana 20 Civic Center Plaza, Santa Ana, CA 92701	See Attached Certificate and Description of Operations

WC 252 (4-84)
WC 04 03 06 (ED. 4-84)

Page 1 of 1

Conditions

D. that is insurance:

Other Insurance
(continued)

1. provided to you by any person or organization working under contract or agreement for you; or

2. under which you are included as an insured; or

E. that is insurance under any Property section of this policy.

When this insurance is excess, we will have no duty to defend the insured against any suit if any other insurer has a duty to defend such insured against such suit. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of the total:

- amount that all other insurance would pay for loss in the absence of this insurance; and
- of all deductible and self-insured amounts under all other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not negotiated specifically to apply in excess of the Limits Of Insurance shown in the Declarations of this insurance.

Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable limits of insurance or none of the loss remains. whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

Other Insurance If other valid and collectible insurance is available to the insured for loss we would otherwise cover under this insurance, our obligations are limited as follows.

Primary Insurance

This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision described below.

Excess Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

A. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for your work;

B. that is insurance that applies to property damage to premises rented to you or temporarily occupied by you with permission of the owner;

C. if the loss arises out of aircraft, autos or watercraft (to the extent not subject to the Aircraft, Autos Or Watercraft exclusion);

HOWEVER, NO PERSON OR ORGANIZATION IS AN "INSURED" UNDER THIS PROVISION WHO IS MORE SPECIFICALLY DESCRIBED UNDER ANY OTHER PROVISION OF THE WHO IS AN INSURED SECTION OF THIS POLICY (REGARDLESS OF ANY LIMITATION APPLICABLE THERETO).

All other terms and conditions remain unchanged.

CERTIFICATE OF INSURANCE

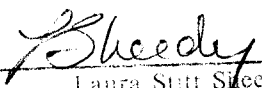
PRODUCER USI Affinity One International Plaza, Suite 400 Philadelphia, PA 19113	This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the Certificate Holder.	
INSURED Best, Best & Krieger, LLP 3750 University Avenue, Suite 400 Riverside, CA 92501	COMPANY AFFORDING COVERAGE Lloyds of London Paragon International Insurance Brokers, Ltd. 140 Leadenhall Street London, England EC3V 4QT	
This is to certify that the policy of insurance listed below has been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.		
TYPE OF INSURANCE <p align="center">LAWYERS ERRORS AND OMISSIONS INSURANCE</p>		
POLICY NUMBER LDUSA1100774	EFFECTIVE DATE 09/01/2011	EXPIRATION DATE 09/01/2012
LIMITS OF LIABILITY <p align="center">at least \$3,000,000 any one claim and in the annual aggregate including claims expenses.</p>		
CERTIFICATE HOLDER City of Santa Ana 20 Civic Center Plaza Santa Ana, CA 92701 Attention: City Manager	CANCELLATION Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.	

[Handwritten Signature]

Signature of Authorized Representative

April 27, 2012
Date

APPROVED AS TO FORM


 Laura Stitt Steedy
 Assistant City Attorney

2011 DEC 13 AM 9:51
CERTIFICATE OF INSURANCE

**CITY OF SANTA ANA
CLERK OF COUNCIL**

PRODUCER USI Affinity One International Plaza, Suite 400 Philadelphia, PA 19113	This Certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the Certificate Holder.	
INSURED Best, Best & Krieger, LLP 3750 University Avenue, Suite 400 Riverside, CA 92501	COMPANY AFFORDING COVERAGE Lloyds of London Paragon International Insurance Brokers, Ltd. 140 Leadenhall Street London, England EC3V 4QT	
This is to certify that the policy of insurance listed below has been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Limits shown may have been reduced by paid claims.		
TYPE OF INSURANCE LAWYERS ERRORS AND OMISSIONS INSURANCE		
POLICY NUMBER LDUSA1100774	EFFECTIVE DATE 09/01/2011	EXPIRATION DATE 09/01/2012
LIMITS OF LIABILITY at least \$1,000,000 any one claim and in the annual aggregate including claims expenses.		
CERTIFICATE HOLDER City of Santa Ana Attn: Maria D. Huizar, Clerk of the Council 20 Civic Center Plaza (M-30) P O Box 1988 Santa Ana, CA 92702-1988	CANCELLATION Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.	



Signature of Authorized Representative

December 8, 2011

Date

APPROVED AS TO FORM



Laura Stitt Sheedy
Assistant City Attorney